



MARKET CONDUCT CODE

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Market Conduct Code Principles

Credit unions are unique institutions. Operating in Canada for over 100 years, credit unions are financial cooperatives that are governed and financed differently than banks. Sudbury Credit Union has been operating in Sudbury since 1951.

Our members are our shareholders and owners. We strive to look after their financial health by providing quality products and services. We strive to ensure our members are satisfied with the level of services they receive.

The Market Conduct Code recognizes principles that we pledge to follow for soliciting, promoting, advertising, marketing, selling, or distributing our products and services. The Code demonstrates our commitment to the fair treatment of all those who use our services. We believe in fair sales practices, comprehensive access to banking services, transparency and openness, and a reasonable approach to settling complaints. Individuals are entitled to the best possible care of their financial interests.

We respect our provincial regulatory obligations, and continually practice excellence in consumer protection. Our code is comprised of the following five key principles:

1. **Business Practices:** We are committed to providing service excellence to all our members.
2. **Fair Treatment and Fair Sales Practices:** Treating members fairly and demonstrating fair sales practices at all times are integral parts of our business practices.
3. **Access to Banking Services:** We ensure members have access to fundamental financial services.
4. **Transparency and Disclosure:** We use plain-language descriptions of products and services to ensure people make informed decisions.
5. **Complaint Handling:** We examine complaints, work to settle them fairly, and track them to help ensure our practices continue to improve.

Definitions

Member: An individual or entity that holds a credit union membership or access to a credit union account.

Consumer: A potential member.

Monitoring & Enforcement

Sudbury Credit Union will demonstrate its commitment to this Code by implementing a self-regulatory model, meaning the credit union will:

- Complete an annual self-assessment assessing its adherence to the Code.
- Report the results of the annual assessment to the Board of Directors.



1. Business Practices

1.1 Business Culture

The credit union will promote a “fair treatment” corporate culture by making strategic decisions, demonstrating in our daily conduct, and communicating with credit union employees, the expectation that fair treatment applies to all Members and Consumers.

1.2 Governance and Accountability

The Board of Directors (“Board”), is responsible for ensuring the overall fair treatment of Members and Consumers. The Board will ensure that proper policies and/or procedures are in place to promote a “fair treatment” corporate culture. The Audit Committee will ensure that this Code is reviewed at least annually.

1.3 Reporting to the Board

At least annually, Senior Management will be responsible for reporting to the Board on the credit union’s adherence to the principles in this Code, including the results of the credit union’s annual self-assessment.

1.4 Protection of Personal Information

As outlined in our Protection of Member Information and Privacy policy, we will safeguard, collect, use, and disclose Personal Information in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).

We limit the sharing of Member information to select business partners, including but not limited to Central 1, CGI, Collabria, CUMIS, Doxim, Verafin, Aviso, Equifax, TransUnion, Sagen, and CMHC. We also have regular IT audits to help ensure that our information systems are secure, and have 24/7 monitoring in place. We also have a privacy breach response plan in place which can be enacted if needed.

1.5 Financial Well-being and Financial Literacy

We strive to support the financial well-being and financial literacy of consumers in our community. We make resources available in our branches and regularly post information on our website and social media. Such resources include safety while using the internet and mobile banking and improving financial well-being.

1.6 Whistleblowing

As outlined within our Personnel Policy, we take part in a whistleblower program “Integrity in Action.” This program allows employees to anonymously report suspected unethical conduct. Management will ensure the employees are aware of the program. The Board is responsible to review and approve the policy as part of their annual policy review.

1.7 Lobbying Activities

The credit union typically does not actively take part in lobbying activities. Past activities have been in conjunction with a CCUA led initiative. For any lobbying efforts, Sudbury Credit Union staff will identify that they are acting on behalf of the credit union; will disclose any conflicts of interest and will act in accordance with applicable laws and regulations.



2. Fair Treatment and Fair Sales Practices

2.1 Fair Treatment

Members and Consumers will be treated fairly. We will not discriminate against any individual. We will abide by the Ontario Human Rights Code. We will not knowingly take advantage of anyone. Behaviours such as manipulation, concealment, misrepresentation of facts, unfair dealings, or unethical activity, or knowingly taking advantage of anyone who is unable to protect their own interests will not be tolerated.

We will not use threatening, intimidating or abusive language, or apply excessive or unreasonable pressure to repay against any borrower of the credit union, including the use of any false statement, any unfair practice, or harassment.

2.2 Conflict of Interest

The credit union will take all reasonable steps to identify, and avoid or manage, conflicts of interest.

The credit union will decline to act where conflicts of interest cannot be avoided or managed satisfactorily.

2.3 Fair Sales

The credit union provides accurate information to assist Members and Consumers in making appropriate product and service choices. We strive to have knowledgeable and professional employees, ensuring they have relevant product information and that they know the importance of ethics and integrity. Employees will not pressure or coerce Members and Consumers to obtain a product or service. As well, tied selling will not be used to force a person to obtain one product or service in order to receive a desired product or service. Knowledgeable employees are available in-person through the branch and over the phone during office hours; and basic product and service information is available on our website.

We will ensure advertising, marketing materials, and communications are fair, accurate, clear, not deceptive or misleading. We will also ensure that when the terms “bank”, “banking”, or “banker” are used in marketing materials, it will be clear that we are not a bank.

3. Access to Banking Services

3.1 Opening of Deposit Accounts

A deposit account may be opened for any individual whose identity can be verified. Verification will be in accordance with our account opening process, which is aligned with the identification requirements in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

3.2 Refusal to Open a Deposit Account

A deposit account may be refused for sound business reasons including but not limited to:

- That the account will be used to break the law or commit fraud.
- That the applicant intentionally provided false information when the account was opened.



- The opening of the account will expose the credit union Members or employees to physical harm, harassment, or abuse.
- The applicant has a history of illegal or fraudulent activity with the credit union or any provider of financial services.
- The applicant cannot or will not provide acceptable identification, in accordance with the credit union's Deposit Account opening process.
- The applicant will not allow the credit union to verify identification or information provided.
- The credit union has a sound business reason to place restrictions on the Deposit Account and the applicant will not accept the restrictions.
- The applicant has previous write-offs and losses or a poor credit bureau score. However, the credit union will assess whether imposing restrictions on the account could sufficiently mitigate the risk.

3.3 Restrictions on Deposit Accounts

Reasonable restrictions may be imposed on certain Deposit Accounts for risk management purposes. Restrictions may include:

- Placing temporary holds on cheques deposited to allow reasonable time for such items to clear.
- Limiting the amount of cash provided back on cheque deposits.
- Limiting or revoking: Overdraft or chequing privileges; online privileges, or debit card privileges, including POS limits and ATM withdrawal limits.

4. Transparency and Disclosure

4.1 Informed Decisions

We strive to provide product and service information in easy to understand language. Such information is kept up to date, and made readily available for Sudbury Credit Union staff enabling them to properly assist Members and Consumers.

Product and service information is also available on our website. The information provided includes the key features of the product or service and rates and fees are also listed. This allows people to make properly informed decisions.

When a person opens a Deposit Account in-person, the credit union will, at a high level, draw the person's attention to the key areas relating to the Deposit Account. For example, areas that speak to account statements; fees or services charges; online and mobile banking access; debit card usage including limits; cheque privileges; stop payments; deposit insurance and overdraft protection.



Deposit interest rates and the manner of calculating interest is readily available to employees enabling them to properly inform and disclose to Members and Consumers. This information is also available on our website.

Term Deposit account renewal information including the rate of interest and manner of calculating the interest will be communicated directly to the Member.

The credit union will provide general mortgage information to Members who have mortgages at the time of issue and upon request. The general information should include the cost of borrowing, how the prepayment penalty is calculated, applicable prepayment privileges. Knowledgeable employees are available to provide more specific information.

If an interest-bearing deposit or debt obligation is advertised, the manner of interest calculation along with circumstances that affect the interest rate will be disclosed.

4.2 Changes to Service Fees or Account Structures

Changes to the manner of calculating interest; changes in fees or material changes to account terms and conditions will be displayed in branch for at least 30 days prior to the change and at least 30 days after the change. Information will also be included on Member statements (where appropriate) and within the Members online access.

Interest rates are readily available in branch and on the website.

The credit union can make changes to account terms and conditions to correct clerical errors without notice to Members.

4.3 Service Disruptions

In the case of a planned permanent branch closure or ATM removal, the Credit Union will provide Members with at least four months' notice. If an ATM goes out of service due to unforeseen circumstances notice will be provided as soon as possible after the ATM is out of service. If a Branch will be temporarily closed as much notice as possible will be provided.

Notice can include letters to Members (in the case of a permanent pending branch closure); or notices placed in branch and on the Credit Union website. Information as to alternate service methods and locations will be included.

4.4 Banking Terminology Disclosure Requirements

Sudbury Credit Union is not a bank and proudly keeps 'Credit Union' in the name, and there should be no confusion for Members or Consumers. The credit union does make use of common terms such as "bank", and/or "banking", and/or "banker" and will ensure that when it does, that the Credit Union name is also included or apparent. The credit union also displays the FSRAO deposit insurance approved marketing labels in branch and has appropriate information available on the website.



5. Complaint Handling

Many complaints can be resolved at the point of contact. When that is not possible, a process is in place to ensure proper reporting, timely handling, and ultimately effective resolution. The process includes escalation to FSRA if the person is not satisfied with the proposed resolution.

All employees have access to the complaint form, and will make it available to the Member or Customer. The complaint process is clearly outlined on the form. The complaint form is also available on the Credit Union website.

Senior Management will provide the Board with a summary of complaints at least annually. The summary should include the number of complaints received, the nature of the complaints and how the complaints were resolved.

Records of complaints will be kept for at least six years (as per O. Reg. 105/22 s.122).